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John A. Ricker
Executive Director
Universal Service Support Programs

January 4, 2002

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S W
Room TW-A235
Washington, D. C. 20554

RECEIVED

JAN 04 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: TRS Fund Administration
CC Docket No. 90-571

Dear Ms. Salas:

On May 1, 2001, the National Exchange Carrier Association, Inc. filed the Annual Submission of TRS Payment and Revenue Requirements in accordance with 47 C.F.R. § 64.604 (c)(4)(iii)(H). Enclosed are the original and four (4) copies of a supplemental filing to the May 1 submission.

Acknowledgment and date of receipt of this letter is requested. A duplicate copy has been provided for that purpose.

Sincerely,

A handwritten signature in cursive script that reads "John A. Ricker". The signature is written in dark ink and is positioned above the printed name "John A. Ricker".

John A. Ricker

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Enclosures

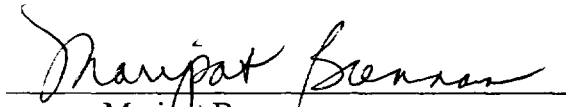
cc: Diane Harmon, Network Services Division, Common Carrier Bureau
Sanford Williams, Network Services Division, Common Carrier Bureau
Les Selzer, Industry Analysis Division, Common Carrier Bureau
James Lande, Industry Analysis Division, Common Carrier Bureau
Pam Gregory, Disabilities Rights Office, Consumer Information Bureau
Qualex International

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served this 4th day of January 2002, by mailing copies thereof by United States Mail, first class postage paid, by overnight delivery, or by hand delivery, to the persons listed below.


Maripat Brennan

The following parties were served:

Magalie Roman Salas*
Office of the Secretary
445 Twelfth St., SW
Room TW-A325
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* Hand delivered

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

JAN 04 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:

Telecommunications Services for
Individuals with Hearing and
Speech Disabilities, and the
Americans with Disabilities Act
of 1990

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)

CC Docket 90-571

**Supplemental Submission Concerning the Payment Formula and Fund Size Estimate
for the Interstate Telecommunications Relay Services (TRS) Fund
for July 2001 thru June 2002**

National Exchange
Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981
January 4, 2002

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

RECEIVED

JAN 04 2002

In the Matter of:

Telecommunications Services for
Individuals with Hearing and
Speech Disabilities, and the
Americans with Disabilities Act
of 1990

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)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket 90-571

**Supplemental Submission Concerning the Payment Formula and Fund Size
Estimate for the Interstate Telecommunications Relay Services (TRS) Fund
for July 2001 thru June 2002**

I. Introduction

On May 1, 2001, the National Exchange Carrier Association, Inc. (NECA) submitted the Telecommunications Relay Services (TRS) provider payment formulas and fund size estimate for the period July 2001 through June 2002, in accordance with section 64.604 of the Federal Communications Commission's (FCC or Commission) rules.¹ The Commission approved the payment formula, fund size requirement and carrier contribution factor in an *Order* released June 27, 2001.²

On August 31, 2001, an interstate TRS provider notified the Commission that it had suspended its interstate relay service operations. This provider had projected a significant volume of minutes for the 2001 – 2002 funding period at a cost per minute that resulted in the traditional TRS reimbursement rate to be approximately \$0.09 cents (6.5 percent) less than it would have been without inclusion of that provider's projections. Because the provider has not participated in the interstate program since July of the 2001 – 2002 funding period and the impact that the inclusion of this non-participant's data has on the per minute rate, the Interstate TRS Fund Advisory Council,

¹ 47 C.F.R. 64.604 (c)(4)(iii)(H).

² Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990 (Fund Administration Fund Size Estimate and Payment Formula, July 2001 Through June 2002) (CC Docket 90-571) *Order*, DA 01-1502 (rel. June 27, 2001).

at their semi-annual meeting on December 4, 2001, approved a motion to recalculate the various payment formulas for 2001 – 2002 without the suspended provider's projections and submit a supplemental rate filing. Based on the recalculation of the payment formulas, NECA is proposing an increase in traditional TRS and Video Relay Service (VRS) providers' reimbursement, and a decrease in the Speech-to-Speech reimbursement.

Exclusion of the non-participant's data results in an increase from \$1.309 to \$1.395 per completed interstate minute for traditional TRS beginning with August 1, 2001 minutes through June 30, 2002; for VRS, an increase from \$7.449 to \$9.614 per completed minute, for the same time period. For the STS rate, NECA proposes a decrease from \$2.62 to \$2.469 also from August 1, 2001 through June 30, 2002.

While NECA is proposing substantial increases in the traditional TRS and VRS reimbursement rates, our analysis indicates that there will be sufficient funds available to cover all expenses for the July 2001 – July 2002 period. Should there be surplus funds available at the end of the 2001 – 2002 funding period, they will be used to offset the 2002 – 2003 fund requirement.

II. Cost and Formula Development

Calculation of the proposed traditional TRS rate followed the same methodology described in the May 1, 2001 filing.³ Because the TRS fund year now consists of the last six months of one year and the first six months of the next, a national average cost per minute of use covering the twelve-month period from July through June was developed. Exhibits 1A, 1B and 1C display the formula and national average cost per minute for 2001, 2002 and the period of July 1, 2001 through June 30, 2002 for traditional TRS. Because the interstate provider suspended its service at the end of August 2001 and did not report August 2001 minutes for reimbursement, we are proposing August 1, 2001 as the effective date of the new reimbursement rate. Actual completed interstate traditional TRS minutes reported for August through October 2001 were 8.3 million. Excluding the non-participant's data for the remainder of the funding year (i.e., November 2001 through June 2002) results in projected demand of 23.6

³ See NECA filing at page 6.

million minutes. The total interstate traditional TRS requirement for the July 2001 – June 2002 fund year is now projected to be \$48.3 million; exhibit 3 provides details on its calculation.

Exhibit 1D details the calculation of the STS reimbursement rate. With the removal of the non-participant's projected minutes and costs, the reimbursement rate for STS decreased from \$2.62 to \$2.469. The interstate STS revenue requirement of \$525 thousand for July 2001 – June 2002 is calculated in Exhibit 3.

The VRS rate calculation is detailed in Exhibit 1E. Exclusion of the non-participant's projected minutes and costs results in a VRS reimbursement rate increase from \$7.449 to \$9.614. This rate is based on data provided by only two providers. For July 2001 – June 2002, the VRS fund requirement is \$4.2 million. See Exhibit 3 for details of the fund requirement calculation.

NECA will continue to carefully monitor the demand for the various TRS services for which the Fund is responsible for reimbursement, and keep the TRS Advisory Council and the Commission informed of actual reported demand levels as compared to forecasts.

III. Payment Amount Effective Period and Filing Schedule

The payment formulas that NECA files herein are proposed to be effective retroactively to August 1, 2001 and to remain in effect through June 30, 2002.

Exhibit:

1A Displays calculations of TRS cost per minute of use for each center and projected interstate TRS costs by center for 2001 using the aggregate data assembled by NECA.

1B Displays calculations of TRS cost per minute of use for each center and projected interstate TRS costs by center for 2002 using the aggregate data assembled by NECA.

1C Displays calculations of the payment formula and interstate TRS national average rate, using the aggregate data assembled by NECA, for July 2001 through June 2002.

1D Displays calculations of Speech to Speech (STS) cost per minute of use for each center and projected STS costs by center, and calculations of the national average rate for July 2001 through June 2002 using the aggregate data assembled by NECA.

1E Displays calculations of Video Relay Service (VRS) cost per minute of use for each center and projected VRS costs by center, and calculations of the national average rate for July 2001 through June 2002 using the aggregate data assembled by NECA.

2 Displays actual Fund performance and projections for traditional TRS for the funding period July 26, 1993 through June 2002. Each annual period for funding includes twelve monthly increments. Beginning in 2000, the period changed from April through the following March to July through the following June.

3 Displays total TRS, STS and VRS funding requirements for the period July 2001 through June 2002.

TRS Provider 2001 - 2002 Rate Calculation
Projected Costs and Minutes for 2001

| Center ID | A Total Minutes Excluding General Assistance | B Total Costs \$\$\$ | C Cost/Minute \$\$\$ (B/A) | D Interstate Conversation Minutes | E Interstate Costs \$\$\$ (CxD) |
|---------------|--|-------------------------------|-------------------------------------|--|---|
| 1 | 4,469,013 | 13,063,132 | 2.923046 | 682,287 | 1,994,358 |
| 2 | 4,135,628 | 6,737,115 | 1.629043 | 718,230 | 1,170,028 |
| 3 | 1,543,368 | 2,315,044 | 1.499995 | 315,010 | 472,514 |
| 4 | 2,625,564 | 5,084,513 | 1.936541 | 427,673 | 828,207 |
| 5 | 9,668,064 | 11,748,968 | 1.215235 | 1,723,657 | 2,094,648 |
| 6 | 22,369,545 | 28,456,148 | 1.272093 | 4,087,762 | 5,200,015 |
| 7 | 5,798,675 | 10,545,192 | 1.818552 | 1,315,632 | 2,392,544 |
| 8 | 9,939,083 | 11,457,699 | 1.152792 | 1,646,295 | 1,897,837 |
| 9 | 5,482,689 | 9,772,301 | 1.782392 | 1,093,929 | 1,949,810 |
| 10 | 2,139,709 | 1,964,047 | 0.917904 | 388,400 | 356,514 |
| 11 | 12,317,184 | 13,737,348 | 1.115299 | 2,217,889 | 2,473,610 |
| 12 | 12,945,262 | 15,106,596 | 1.166959 | 2,244,704 | 2,619,478 |
| 13 | 4,556,073 | 8,221,173 | 1.804443 | 778,648 | 1,405,026 |
| 14 | 10,983,513 | 12,891,814 | 1.173742 | 1,787,006 | 2,097,485 |
| 15 | 8,703,236 | 11,334,143 | 1.302291 | 1,347,524 | 1,754,868 |
| 16 | 4,452,806 | 8,995,042 | 2.020084 | 875,482 | 1,768,548 |
| 17 | 589,999 | 1,822,429 | 3.088868 | 82,873 | 255,983 |
| 18 | 19,433,374 | 24,374,760 | 1.254273 | 3,332,903 | 4,180,371 |
| 19 | 265,305 | 1,911,942 | 7.206581 | 161,806 | 1,166,068 |
| 20 | 7,463,992 | 1,951,384 | 0.261440 | 230,069 | 60,149 |
| 21 | 1,275,000 | 1,874,000 | 1.469804 | 312,400 | 459,167 |
| 22 | 551,000 | 900,000 | 1.633394 | 135,000 | 220,508 |
| 23 | 13,769,000 | 12,274,000 | 0.891423 | 3,372,400 | 3,006,234 |
| 24 | 1,877,000 | 2,425,000 | 1.291955 | 459,600 | 593,783 |
| 25 | 1,353,000 | 2,245,000 | 1.659276 | 331,200 | 549,552 |
| 26 | 7,181,000 | 9,591,000 | 1.335608 | 1,759,400 | 2,349,868 |
| 27 | 1,240,000 | 2,069,000 | 1.668548 | 303,600 | 506,571 |
| 28 | 4,438,000 | 7,099,000 | 1.599594 | 1,087,200 | 1,739,079 |
| 29 | 2,350,794 | 4,108,992 | 1.747917 | 378,027 | 660,760 |
| 30 | 1,137,753 | 2,057,224 | 1.808146 | 207,070 | 374,413 |
| Totals | 185,054,629 | 246,134,006 | | 33,803,679 | 46,597,998 |
| | | | | | 1.37848895 |

Average Cost per Interstate Minute = Total Interstate Costs/Total Interstate Conversation Minutes

Average Cost per Interstate Minute for 2001 = **\$1.378**

**TRS Provider 2001 - 2002 Rate Calculation
Projected Costs and Minutes for 2002**

| Center ID | A Total Minutes Excluding General Assistance | B Total Costs \$\$\$ | C Cost/Minute \$\$\$ (B/A) | D Interstate Conversation Minutes | E Interstate Costs \$\$\$ (Cx D) |
|---------------|--|-------------------------------|-------------------------------------|--|--|
| 1 | 2,491,843 | 3,884,330 | 1.558818 | 400,709 | 624,632 |
| 2 | 1,183,268 | 1,947,450 | 1.645823 | 215,350 | 354,428 |
| 3 | 7,538,633 | 1,970,898 | 0.261440 | 232,369 | 60,751 |
| 4 | 4,218,882 | 7,086,322 | 1.679668 | 732,666 | 1,230,635 |
| 5 | 1,574,350 | 2,434,006 | 1.546039 | 321,304 | 496,749 |
| 6 | 2,678,606 | 5,193,006 | 1.938697 | 436,314 | 845,881 |
| 7 | 9,516,122 | 11,684,720 | 1.227887 | 1,692,879 | 2,078,663 |
| 8 | 25,573,377 | 36,045,227 | 1.409482 | 5,056,806 | 7,127,479 |
| 9 | 18,293,066 | 22,439,235 | 1.226652 | 3,281,677 | 4,025,477 |
| 10 | 5,811,602 | 10,711,458 | 1.843116 | 1,319,313 | 2,431,648 |
| 11 | 9,805,387 | 11,427,777 | 1.165459 | 1,619,852 | 1,887,872 |
| 12 | 5,427,755 | 10,027,949 | 1.847532 | 1,085,993 | 2,006,406 |
| 13 | 1,970,864 | 1,892,125 | 0.960048 | 354,921 | 340,742 |
| 14 | 12,263,553 | 13,623,494 | 1.110893 | 2,205,559 | 2,450,139 |
| 15 | 12,843,388 | 14,697,824 | 1.144388 | 2,223,085 | 2,544,072 |
| 16 | 4,773,602 | 8,272,563 | 1.732981 | 765,190 | 1,326,060 |
| 17 | 10,881,880 | 12,922,453 | 1.187520 | 1,764,589 | 2,095,486 |
| 18 | 8,582,331 | 11,401,359 | 1.328469 | 1,321,446 | 1,755,500 |
| 19 | 1,326,000 | 1,965,000 | 1.481900 | 324,600 | 481,025 |
| 20 | 515,000 | 930,000 | 1.805825 | 126,200 | 227,895 |
| 21 | 14,024,000 | 12,828,000 | 0.914718 | 3,435,200 | 3,142,238 |
| 22 | 1,762,000 | 2,498,000 | 1.417707 | 432,000 | 612,449 |
| 23 | 1,352,000 | 2,437,000 | 1.802515 | 331,200 | 596,993 |
| 24 | 7,378,000 | 10,036,000 | 1.360260 | 1,808,400 | 2,459,895 |
| 25 | 1,257,000 | 2,140,000 | 1.702466 | 308,000 | 524,360 |
| 26 | 4,182,000 | 7,651,000 | 1.829507 | 1,024,400 | 1,874,147 |
| 27 | 4,555,704 | 13,412,537 | 2.944120 | 713,012 | 2,099,191 |
| 28 | 278,570 | 1,904,443 | 6.836497 | 169,897 | 1,161,500 |
| 29 | 4,545,944 | 9,101,408 | 2.002094 | 884,289 | 1,770,430 |
| 30 | 614,999 | 1,911,308 | 3.107823 | 86,384 | 268,466 |
| Totals | 187,219,726 | 254,476,892 | | 34,673,604 | 48,901,210 |
| | | | | | 1.410329589 |

Average Cost per Interstate Minute = Total Interstate Costs/Total Interstate Conversation Minutes

Average Cost per Interstate Minute for 2002 = \$1.410

TRS Provider July 2001 - June 2002 Rate Calculation
Traditional TRS

| | Total Minutes Excluding General Assistance | Total Costs \$\$\$ | Interstate Conversation Minutes | Interstate Costs \$\$\$ |
|---|---|-----------------------------------|--|--|
| 2001 TOTALS | 185,054,629 | 246,134,006 | 33,803,679 | 46,597,998 |
| 2002 TOTALS | 187,219,726 | 254,476,892 | 34,673,604 | 48,901,210 |
| TOTALS | 372,274,355 | 500,610,898 | 68,477,283 | 95,499,208 |
| DIVIDE BY 2 for the average of the 2 years | | | 34,238,642 | 47,749,604 |
| Average Cost per Interstate Minute | = <u>Total Interstate Costs</u> Total Interstate Minutes | | | 1.394612 |

AVERAGE COST PER INTERSTATE MINUTE

FOR JULY 2001 - JUNE 2002 = \$1.395

TRS Provider July 2001 - June 2002 Rate Calculation

Speech to Speech

| Center ID | A Total Minutes Excluding General Assistance | B Total Costs \$\$\$ | C Cost/ Minutes \$\$\$ (B/A) | D Interstate Conversation Minutes | E Interstate Costs \$\$\$ (CxD) |
|---------------|--|-------------------------------|--|--|---|
| 2001 | | | | | |
| 1 | 30,789 | 51,000 | 1.66 | 4,756 | 7,878 |
| 2 | 30,142 | 38,484 | 1.28 | 7,080 | 9,039 |
| 3 | 11,844 | 25,067 | 2.12 | 2,052 | 4,343 |
| 4 | 5,196 | 12,533 | 2.41 | 1,037 | 2,501 |
| 5 | 661,477 | 1,377,127 | 2.08 | 115,826 | 241,139 |
| 6 | 51,000 | 110,090 | 2.16 | 10,200 | 22,018 |
| 7 | 347,320 | 202,678 | 0.58 | 65,302 | 38,107 |
| 8 | 32,525 | 745,545 | 22.92 | 5,559 | 127,434 |
| 9 | 15,576 | 60,000 | 3.85 | 3,539 | 13,633 |
| Totals | 1,185,869 | \$2,622,524 | | 215,352 | \$466,092 |
| | | | | | \$2.16 |

| | | | | | |
|---------------|------------------|--------------------|-------|----------------|------------------|
| 2002 | | | | | |
| 1 | 43,526 | 64,260 | 1.48 | 6,909 | 10,200 |
| 2 | 30,250 | 40,498 | 1.34 | 7,107 | 9,515 |
| 3 | 12,564 | 26,069 | 2.07 | 2,179 | 4,522 |
| 4 | 5,448 | 13,035 | 2.39 | 1,097 | 2,624 |
| 5 | 923,592 | 1,994,572 | 2.16 | 164,152 | 354,500 |
| 6 | 51,000 | 110,090 | 2.16 | 10,200 | 22,018 |
| 7 | 134,098 | 77,693 | 0.58 | 26,197 | 15,178 |
| 8 | 56,374 | 1,183,797 | 21.00 | 9,705 | 203,791 |
| 9 | 15,576 | 60,000 | 3.85 | 3,539 | 13,633 |
| Totals | 1,272,428 | \$3,570,014 | | 231,085 | \$635,981 |
| | | | | | \$2.75 |

| | | | | |
|--------------------|------------------|------------------|----------------|------------------|
| 2001 TOTALS | 1,185,869 | 2,622,524 | 215,352 | \$466,092 |
|--------------------|------------------|------------------|----------------|------------------|

| | | | | |
|--------------------|------------------|------------------|----------------|------------------|
| 2002 TOTALS | 1,272,428 | 3,570,014 | 231,085 | \$635,981 |
|--------------------|------------------|------------------|----------------|------------------|

| | | | | |
|---------------|------------------|--------------------|----------------|--------------------|
| TOTALS | 2,458,297 | \$6,192,538 | 446,438 | \$1,102,073 |
|---------------|------------------|--------------------|----------------|--------------------|

| | | | | |
|---|--|--|----------------|------------------|
| DIVIDE BY 2 for the average of the 2 years | | | 223,219 | \$551,037 |
|---|--|--|----------------|------------------|

| | | | | |
|---|--|--|--|------------------|
| Average Cost per Interstate Minute = Total Interstate Costs/Total Interstate Minutes | | | | \$2.46859 |
|---|--|--|--|------------------|

| | |
|-----------------------|------------------|
| STS FUND REQ'T | \$551,037 |
|-----------------------|------------------|

| | |
|---|----------------|
| Average Cost per Interstate STS Minute for July 2001 - June 2002 | \$2.469 |
|---|----------------|

TRS Provider 2001 - 2002 Rate Calculation Video Relay Service

| Center ID | A Total Minutes Excluding General Assistance | B Cost/ Minute \$\$\$ | E Total Costs \$\$\$ |
|---------------|--|--------------------------------|-------------------------------|
| 2001 | | | |
| 1 | 175,138 | 2.07 | 362,910 |
| 2 | 149,792 | 17.55 | 2,629,432 |
| Totals | 324,930 | | \$2,992,342 |
| | | | \$9.21 |

| | | | |
|---------------|----------------|-------|--------------------|
| 2002 | | | |
| 1 | 320,775 | 2.26 | 725,820 |
| 2 | 314,587 | 17.53 | 5,514,141 |
| Totals | 635,362 | | \$6,239,961 |
| | | | \$9.82 |

| | | | |
|---|------------------------------------|--|--------------------|
| 2001 TOTALS | 324,930 | | \$2,992,342 |
| 2002 TOTALS | 635,362 | | \$6,239,961 |
| TOTALS | 960,292 | | \$9,232,303 |
| DIVIDE BY 2 for the average of the 2 years | 480,146 | | \$4,616,152 |
| Average Cost per Minute | = Total Costs/Total Minutes | | \$9.614 |

| | |
|-----------------------|--------------------|
| VRS FUND REQ'T | \$4,616,152 |
|-----------------------|--------------------|

| | |
|--|----------------|
| Average Cost per VRS Minute for July 2001 - June 2002 | \$9.614 |
|--|----------------|

**TRS FUND PERFORMANCE
(ACTUALS)**

| Date | Receivables | Collections | Refunds | Receivables Due | Expenses | Interest Income | Payment Obligations | Disbursements |
|-------------|---------------|---------------|-----------|-----------------|-------------|-----------------|---------------------|---------------|
| 1993 Totals | \$19,152,480 | \$17,349,362 | \$16,850 | \$1,819,968 | \$490,356 | \$66,898 | \$9,860,150 | \$5,529,230 |
| 1994 Totals | \$31,532,185 | \$32,111,847 | \$8,415 | \$1,248,721 | \$435,377 | \$797,267 | \$26,830,588 | \$26,462,271 |
| 1995 Totals | \$19,770,711 | \$20,818,552 | \$18,214 | \$219,094 | \$284,535 | \$1,004,836 | \$23,734,261 | \$24,163,682 |
| 1996 Totals | \$26,258,425 | \$24,631,915 | \$4,051 | \$1,849,655 | \$328,700 | \$624,800 | \$36,034,602 | \$33,124,807 |
| 1997 Totals | \$48,755,747 | \$49,581,125 | \$36,855 | \$1,061,132 | \$298,800 | \$780,900 | \$36,689,286 | \$36,110,944 |
| 1998 Totals | \$41,615,847 | \$40,668,284 | \$32,048 | \$2,040,743 | \$388,500 | \$1,355,000 | \$38,318,914 | \$38,993,717 |
| 1999 Totals | \$38,745,304 | \$39,871,369 | \$33,129 | \$947,807 | \$348,100 | \$1,306,400 | \$43,349,529 | \$40,028,914 |
| 1/00 | 2,927,093 | 2,941,709 | | 933,191 | 17,800 | 100,900 | 3,875,931 | 3,431,774 |
| 2/00 | 2,928,405 | 2,846,702 | 10,550 | 1,025,444 | 31,400 | 166,300 | 3,918,566 | 3,470,932 |
| 3/00 | 2,914,247 | 3,129,857 | | 809,834 | 15,100 | 89,400 | 3,961,670 | 3,628,111 |
| 4/00 | 940 | 1,131,214 | | (320,440) | 23,500 | 122,100 | 4,005,248 | 3,667,008 |
| 5/00 | 219,940 | 74,640 | 13,880 | (161,260) | 72,800 | 39,300 | 3,693,776 | 4,121,049 |
| 6/00 | (3,837) | 88,328 | 41,726 | (211,699) | 32,600 | 691,700 | 3,720,741 | 3,548,166 |
| 7/00 | 59,443,373 | 6,196,504 | 1,028 | 53,036,198 | 28,600 | 64,700 | 3,747,902 | 3,820,993 |
| 8/00 | (12,604,152) | 5,266,471 | | 35,165,575 | 65,500 | 88,000 | 3,775,262 | 3,823,987 |
| 9/00 | (25,735,921) | 4,806,384 | 16,199 | 4,639,469 | 31,400 | 103,400 | 4,135,044 | 3,962,649 |
| 10/00 | 3,975,925 | 5,869,035 | 44,867 | 2,791,226 | 46,400 | 112,800 | 4,165,230 | 4,236,946 |
| 11/00 | 4,195,648 | 4,302,200 | 3,274 | 2,687,948 | 17,100 | 105,700 | 4,195,636 | 3,931,476 |
| 12/00 | 4,301,704 | 4,779,015 | 13,354 | 2,223,991 | 82,200 | 40,600 | 4,226,264 | 4,188,913 |
| 2000 Totals | \$42,563,365 | \$41,432,059 | \$144,878 | \$2,223,991 | \$464,400 | \$1,724,900 | \$47,421,270 | \$45,832,004 |
| 1/01 | 4,172,253 | 4,489,911 | 13,850 | 1,920,183 | 37,000 | 142,400 | 4,257,116 | 4,133,558 |
| 2/01 | 4,153,477 | 1,467,340 | 274,259 | 4,880,579 | 34,600 | 88,700 | 4,288,193 | 4,148,173 |
| 3/01 | 4,244,954 | 7,123,696 | 40,378 | 2,042,215 | 31,700 | 168,900 | 4,462,534 | 4,696,918 |
| 4/01 | 4,147,052 | 4,344,770 | 41,670 | 1,886,167 | 38,700 | 52,300 | 4,507,150 | 4,042,878 |
| 5/01 | 4,249,468 | 6,024,582 | 400 | 111,453 | 45,100 | 81,900 | 4,149,741 | 4,517,366 |
| 6/01 | 4,261,379 | 4,179,363 | 40,777 | 232,246 | 12,700 | 76,100 | 4,189,164 | 4,337,228 |
| 7/01 | 15,438,131 | 5,514,744 | 52,635 | 10,210,268 | 69,900 | 148,200 | 4,228,962 | 3,857,612 |
| 8/01 | 3,391,994 | 9,955,757 | 0 | 3,646,505 | 106,200 | 2,700 | 4,269,136 | 3,701,872 |
| 9/01 | 3,703,456 | 4,340,122 | 608 | 3,010,447 | 33,600 | 174,700 | 4,527,125 | 3,781,501 |
| 10/01 | 3,833,256 | 4,215,841 | 18,926 | 2,646,788 | 31,500 | 8,900 | 4,570,133 | 3,809,361 |
| 11/01 | 4,073,102 | 3,803,238 | 2,203 | 2,918,855 | 22,800 | 80,800 | 4,613,548 | 3,421,517 |
| 12/01 | 4,068,331 | | | | | | 4,657,378 | 3,692,523 |
| 2001 | \$59,736,853 | \$55,459,364 | \$485,706 | \$1,886,167 | \$463,800 | \$1,025,600 | \$25,853,897 | \$48,140,507 |
| Totals | \$328,130,917 | \$321,923,877 | \$780,146 | \$1,886,167 | \$3,502,568 | \$8,686,601 | \$288,092,497 | \$298,386,076 |

Miscellaneous Fund Statistics

of FCC 499A forms used to calculate TRS base
4,194 Forms + 1,577 Non-Responders
 End user interstate & int'l revenues
\$81.27B
 f TRS providers receiving reimbursement

Note:

Payment Obligations - Reflects all minutes reported for month including those reported as adjustments in later months

**FUND REQUIREMENTS FOR JULY 26, 1993 THRU JUNE 30, 2002
FOR TRADITIONAL TRS INTERSTATE MINUTES**

| Date | Totals | Actual Reported Minutes | Interstate Minutes (IS) | Toll Free (TF) IS Minutes | 900 IS Minutes | IS+TF+900 Minutes | Disbursements | |
|---|-------------|----------------------------|----------------------------|------------------------------|------------------------|----------------------|-------------------------------------|--------------|
| 1993 | 5,783,085 | 5,783,085 | | | | | \$9,860,160 | |
| 1994 | 15,736,416 | 15,736,416 | | | | | \$26,830,588 | |
| 1995 | 18,201,120 | 18,201,120 | | | | | \$23,734,260 | |
| 1996 | 26,130,966 | 26,130,966 | 5,297,804 | 4,162,226 | | 9,460,030 | \$36,034,602 | |
| 1997 | 30,147,318 | 30,147,318 | 16,157,347 | 13,989,971 | | 30,147,318 | \$36,689,286 | |
| 1998 | 32,146,698 | 32,146,698 | 16,166,795 | 15,979,903 | | 32,146,698 | \$37,547,343 | |
| Jan 1999 | | 2,830,843 | 1,358,793 | 1,472,050 | | 2,830,843 | \$3,337,564 | |
| Feb | | 2,649,889 | 1,198,524 | 1,451,365 | | 2,649,889 | \$3,124,219 | |
| Mar | | 3,005,062 | 1,393,811 | 1,611,251 | | 3,005,062 | \$3,542,968 | |
| Apr | | 2,788,391 | 1,333,130 | 1,455,261 | | 2,788,391 | \$3,287,513 | |
| May | | 2,793,481 | 1,361,602 | 1,431,879 | | 2,793,481 | \$3,293,514 | |
| June 1999 | 33,274,895 | 2,885,525 | 1,374,497 | 1,511,028 | | 2,885,525 | \$3,402,034 | |
| July 1999 | | 2,938,054 | 1,406,519 | 1,531,535 | | 2,938,054 | \$3,463,966 | |
| Aug | | 3,004,738 | 1,425,306 | 1,579,432 | | 3,004,738 | \$3,542,586 | |
| Sep | | 2,907,317 | 1,367,911 | 1,539,406 | | 2,907,317 | \$3,427,727 | |
| Oct | | 2,798,860 | 1,318,148 | 1,480,712 | | 2,798,860 | \$3,299,856 | |
| Nov | | 2,910,750 | 1,402,947 | 1,507,803 | | 2,910,750 | \$3,431,774 | |
| Dec 1999 | 34,456,873 | 2,943,963 | 1,453,983 | 1,489,980 | | 2,943,963 | \$3,470,932 | |
| Jan 2000 | | 3,077,279 | 1,472,848 | 1,604,431 | | 3,077,279 | \$3,628,111 | |
| Feb | | 3,110,269 | 1,477,674 | 1,632,595 | | 3,110,269 | \$3,667,008 | |
| Mar | | 3,495,377 | 1,670,560 | 1,824,817 | | 3,495,377 | \$4,121,049 | |
| Apr | | 3,009,471 | 1,495,120 | 1,514,351 | | 3,009,471 | \$3,548,166 | |
| May | | 3,240,876 | 1,614,623 | 1,626,253 | | 3,240,876 | \$3,820,993 | |
| June 2000 | 36,680,370 | 3,243,416 | 1,597,776 | 1,645,640 | | 3,243,416 | \$3,823,987 | |
| July 2000 | | 3,090,990 | 1,591,483 | 1,499,087 | 420 | 3,090,990 | \$3,962,649 | |
| Aug | | 3,304,950 | 1,681,263 | 1,623,247 | 440 | 3,304,950 | \$4,236,946 | |
| Sep | | 3,066,674 | 1,547,965 | 1,518,402 | 307 | 3,066,674 | \$3,931,476 | |
| Oct | | 3,267,483 | 1,690,890 | 1,576,302 | 291 | 3,267,483 | \$4,188,913 | |
| Nov | | 3,224,304 | 1,700,984 | 1,523,143 | 177 | 3,224,304 | \$4,133,558 | |
| Dec 2000 | 38,366,793 | 3,235,704 | 1,709,462 | 1,525,871 | 371 | 3,235,704 | \$4,148,173 | |
| Jan 2001 | | 3,536,836 | 1,778,053 | 1,758,418 | 365 | 3,536,836 | \$4,696,918 | |
| Feb | | 3,044,336 | 1,529,537 | 1,514,308 | 491 | 3,044,336 | \$4,042,878 | |
| Mar | | 3,401,631 | 1,703,712 | 1,697,456 | 463 | 3,401,631 | \$4,517,366 | |
| Apr | | 3,265,985 | 1,737,127 | 1,528,457 | 401 | 3,265,985 | \$4,337,228 | |
| May | | 2,904,828 | 1,307,577 | 1,595,836 | 1,415 | 2,904,828 | \$3,857,612 | |
| June | 38,131,275 | 2,787,554 | 1,231,671 | 1,555,384 | 499 | 2,787,554 | \$3,701,872 | |
| July | | 2,888,847 | 1,230,081 | 1,657,221 | 1,545 | 2,888,847 | \$3,781,501 | |
| Aug | | 2,910,131 | 1,175,628 | 1,734,005 | 498 | 2,910,131 | \$4,059,633 | |
| Sep | | 2,613,840 | 1,139,561 | 1,473,562 | 717 | 2,613,840 | \$3,646,307 | |
| Oct | | 2,820,873 | 1,120,557 | 1,699,715 | 601 | 2,820,873 | \$3,935,118 | |
| Date | | Projected Minutes | Providers' Projection | Projected Non Toll Free | Projected Toll Free | Total Projected | Projected Payment Obligations | |
| (Industry growth rate: .0095/mo.) | | | | | | | | |
| Nov | | 2,847,671 | | 1,131,202 | 1,715,862 | 607 | 2,847,671 | \$3,972,501 |
| Dec 2001 | 35,897,256 | 2,874,724 | | 1,141,949 | 1,732,163 | 612 | 2,874,724 | \$4,010,240 |
| Jan 2002 | | 2,902,034 | | 1,152,797 | 1,748,619 | 618 | 2,902,034 | \$4,048,338 |
| Feb | | 2,929,603 | | 1,163,749 | 1,765,230 | 624 | 2,929,603 | \$4,086,797 |
| Mar | | 2,957,435 | | 1,174,804 | 1,782,000 | 630 | 2,957,435 | \$4,125,621 |
| Apr | | 2,985,530 | | 1,185,965 | 1,798,929 | 636 | 2,985,530 | \$4,164,815 |
| May | | 3,013,893 | | 1,197,232 | 1,816,019 | 642 | 3,013,893 | \$4,204,380 |
| June 2002 | 34,787,106 | 3,042,525 | | 1,208,605 | 1,833,271 | 648 | 3,042,525 | \$4,244,322 |
| Totals | 254,697,545 | 34,787,106 | 34,238,642 | 14,022,131 | 20,756,596 | 8,379 | 34,787,106 | \$48,279,572 |
| 1993 thru June 2002 July 2001 - June 2002 Exh. 1 C Avg. '01/'02 minutes | | | | | | | | |

TRS FUND PERFORMANCE AND PROJECTIONS

(July 26, 1993 thru June 30, 2002)

| Date | Receivables | Collections | Refunds | Receivables Due | Expenses | Interest Income | Payment Obligations |
|----------------------------|---------------|---------------|-----------|-----------------|-------------|-----------------|---------------------|
| 1993 Totals | \$19,152,480 | \$17,349,362 | \$16,850 | \$1,819,968 | \$490,356 | \$66,898 | \$9,860,160 |
| 1994 Totals | \$31,532,185 | \$32,111,847 | \$8,415 | \$1,248,721 | \$435,377 | \$797,267 | \$26,830,588 |
| 1995 Totals | \$19,770,711 | \$20,818,552 | \$18,214 | \$219,094 | \$284,535 | \$1,004,835 | \$23,734,261 |
| 1996 Totals | \$26,258,425 | \$24,631,915 | \$4,051 | \$1,849,655 | \$328,700 | \$624,800 | \$36,034,602 |
| 1997 Totals | \$48,755,747 | \$49,581,125 | \$36,855 | \$1,061,132 | \$298,800 | \$781,500 | \$36,689,287 |
| 1998 Totals | \$41,615,847 | \$40,668,284 | \$32,048 | \$2,040,743 | \$388,500 | \$1,355,000 | \$38,318,914 |
| 1/99 | 2,812,503 | 2,876,397 | 2,750 | 1,979,599 | 25,900 | 102,300 | 3,399,086 |
| 2/99 | 2,816,013 | 4,397,590 | 900 | 398,922 | 4,900 | 97,500 | 3,436,476 |
| 3/99 | 2,835,678 | 2,551,981 | 100 | 682,719 | 26,300 | 111,100 | 3,474,277 |
| 4/99 | 2,802,411 | 5,091,774 | 5,560 | (1,601,084) | 30,100 | 114,900 | 3,512,494 |
| 5/99 | 6,251,797 | 2,106,097 | | 2,544,616 | 34,000 | 112,800 | 3,551,131 |
| 6/99 | 3,201,462 | 5,017,950 | | 728,128 | 60,700 | 113,600 | 3,590,194 |
| 7/99 | 3,168,670 | 2,050,976 | 5,976 | 1,851,798 | 32,900 | 119,600 | 3,629,686 |
| 8/99 | 2,982,467 | 3,922,519 | 17,613 | 929,359 | 29,900 | 109,600 | 3,669,613 |
| 9/99 | 2,946,513 | 3,035,329 | | 840,543 | 28,600 | 63,800 | 3,709,978 |
| 10/99 | 3,074,685 | 2,972,004 | 230 | 943,454 | 32,400 | 119,200 | 3,750,788 |
| 11/99 | 2,924,445 | 2,950,910 | | 916,989 | 26,400 | 117,500 | 3,792,047 |
| 12/99 | 2,928,660 | 2,897,842 | | 947,807 | 16,000 | 124,500 | 3,833,759 |
| 1999 Totals | \$38,745,304 | \$39,871,369 | \$33,129 | \$947,807 | \$348,100 | \$1,306,400 | \$43,349,531 |
| 1/00 | 2,927,093 | 2,941,709 | | 933,191 | 17,800 | 100,900 | 3,875,931 |
| 2/00 | 2,928,405 | 2,846,702 | 10,550 | 1,025,444 | 31,400 | 166,300 | 3,918,566 |
| 3/00 | 2,914,247 | 3,129,857 | | 809,834 | 15,100 | 89,400 | 3,961,670 |
| 4/00 | 940 | 1,131,214 | | (320,440) | 23,500 | 122,100 | 4,005,248 |
| 5/00 | 219,940 | 74,640 | 13,880 | (161,260) | 72,800 | 39,300 | 3,693,776 |
| 6/00 | (3,837) | 88,328 | 41,726 | (211,699) | 32,600 | 691,700 | 3,720,741 |
| 7/00 | 59,443,373 | 6,196,504 | 1,028 | 53,036,198 | 28,600 | 64,700 | 3,747,902 |
| 8/00 | (12,604,152) | 5,266,471 | | 35,165,575 | 65,500 | 88,000 | 3,775,262 |
| 9/00 | (25,735,921) | 4,806,384 | 16,199 | 4,639,469 | 31,400 | 103,400 | 4,135,044 |
| 10/00 | 3,975,925 | 5,869,035 | 44,867 | 2,791,226 | 46,400 | 112,800 | 4,165,230 |
| 11/00 | 4,195,648 | 4,302,200 | 3,274 | 2,687,948 | 17,100 | 105,700 | 4,195,636 |
| 12/00 | 4,301,704 | 4,779,015 | 13,354 | 2,223,991 | 82,200 | 40,600 | 4,226,264 |
| 2000 Totals | \$42,563,365 | \$41,432,059 | \$144,878 | 2,223,991 | \$464,400 | \$1,724,900 | \$47,421,269 |
| 1/01 | 4,172,253 | 4,489,911 | 13,850 | 1,920,183 | 37,000 | 142,400 | 4,257,116 |
| 2/01 | 4,153,477 | 1,467,340 | 274,259 | 4,880,579 | 34,600 | 88,700 | 4,288,193 |
| 3/01 | 4,244,954 | 7,123,696 | 40,378 | 2,042,215 | 31,700 | 168,900 | 4,462,534 |
| 4/01 | 4,147,052 | 4,344,770 | 41,670 | 1,886,167 | 38,700 | 52,300 | 4,507,150 |
| 5/01 | 4,249,468 | 6,024,582 | 400 | 111,453 | 45,100 | 81,900 | 4,149,741 |
| 6/01 | 4,261,379 | 4,179,363 | 40,777 | 234,246 | 12,700 | 76,100 | 4,189,164 |
| 7/01 | 15,438,131 | 5,514,744 | 52,635 | 10,210,268 | 69,900 | 148,200 | 4,228,962 |
| 8/01 | 3,391,994 | 9,955,757 | 0 | 3,646,505 | 106,200 | 2,700 | 4,269,136 |
| 9/01 | 3,703,456 | 4,340,122 | 608 | 3,010,447 | 33,600 | 174,700 | 4,248,034 |
| 10/01 | 3,833,256 | 4,215,841 | 18,926 | 2,646,788 | 31,500 | 8,900 | 4,570,133 |
| 11/01 | 4,073,102 | 3,803,238 | 2,203 | 2,918,855 | 22,800 | 80,800 | 4,613,548 |
| 12/01 | 4,068,331 | 3,493,593 | * | 3,493,593 | 37,000 | 122,223 | 4,657,378 |
| 2001 Totals | 59,736,853 | 58,952,957 | \$485,706 | 3,493,593 | 500,800 | 1,147,823 | \$52,441,087 |
| 1/02 | 4,068,331 | 3,780,962 | * | 3,780,962 | 37,000 | 90,000 | 3,972,501 |
| 2/02 | 4,068,331 | 3,924,647 | * | 3,924,647 | 34,600 | 90,000 | 4,010,240 |
| 3/02 | 4,068,331 | 3,996,489 | * | 3,996,489 | 31,700 | 90,000 | 4,048,337 |
| 4/02 | 4,068,331 | 4,032,410 | * | 4,032,410 | 30,400 | 90,000 | 4,086,796 |
| 5/02 | 4,068,331 | 4,050,370 | * | 4,050,370 | 46,700 | 90,000 | 4,125,622 |
| 6/02 | 4,068,331 | 4,059,351 | * | 4,059,351 | 29,900 | 90,000 | 4,164,814 |
| 7/02 | * | 2,029,675 | * | 2,029,675 | 30,900 | * | 4,204,381 |
| 8/02 | * | 1,014,838 | * | 1,014,838 | * | * | 4,244,322 |
| 2002 Totals | 24,409,986 | 26,888,741 | * | 1,014,838 | 241,200 | 540,000 | 32,857,014 |
| Totals | \$352,540,903 | \$352,306,211 | \$780,146 | \$1,014,838 | \$3,780,768 | \$9,349,423 | \$352,293,039 |
| (July 1993 thru June 2002) | | | | | | | STS |
| | | | | | | | VRI |
| | | | | | | | \$524,878 |
| | | | | | | | \$4,231,448 |

Fund Balance Calculation *

| | |
|-----------------|-----------------|
| Total Fund | \$352,540,903 |
| NECA Expenses | (\$3,780,768) |
| Interest Income | \$9,349,423 |
| Payments | (\$352,293,039) |
| Fund Balance | \$5,816,520 |

1 Payment obligation estimates for October 2001 thru August 2002 calculated using \$1.395 per interstate TRS minute.

2 From Exhibit 3.

INTERSTATE TRS FUND REQUIREMENTS

(July 2001 thru June 2002)

As filed May 1, 2001

| | Interstate TRS | Interstate STS | Intrastate & Interstate VRS |
|----------------------------------|-------------------|-------------------|-----------------------------------|
| 1. Reimbursement Rate | \$1.309 | \$2.620 | \$7.449 |
| 2. Projected Minutes | 41,043,614 | 225,219 | 675,146 |
| 3. Fund Requirement | \$53,726,091 | \$590,019 | \$5,028,910 |
| 4. Total TRS/STS/VRS Requirement | \$59,345,020 | | |

Current FilingActuals - July 2001Proposed Revision - August 2001 - June 2002

| | Interstate TRS | Interstate STS | Intrastate & Interstate VRS | Interstate TRS | Interstate STS | Intrastate & Interstate VRS |
|----------------------------------|-------------------|-------------------|-----------------------------------|-------------------|-------------------|-----------------------------------|
| 1. Reimbursement Rate | \$1.309 | \$2.620 | \$7.449 | \$1.395 | \$2.469 | \$9.614 |
| 2. Projected Minutes | 2,888,847 | 7,511 | 0 | 31,898,259 | 204,617 | 440,134 |
| 3. Fund Requirement | \$3,781,501 | \$19,679 | \$0 | \$44,498,072 | \$505,199 | \$4,231,448 |
| 4. Total Actuals & Proposed | | | | | | |
| a. Minutes | 34,787,106 | 212,128 | 440,134 | | | |
| b. Fund Requirements | \$48,279,572 | \$524,878 | \$4,231,448 | | | |
| 5. Total TRS/STS/VRS Requirement | \$53,035,898 | | | | | |

01/02/02

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